



Better Careers For Californians

Innovations Tackle Systemic Barriers to Advancement for Low-Wage Workers

ABOUT JFF

JFF is a national nonprofit that drives transformation in the American workforce and education systems. For 35 years, JFF has led the way in designing innovative and scalable solutions that create access to economic advancement for all. Join us as we build a future that works. www.jff.org

Thanks to The Irvine Foundation for their support of this series of briefs.

AUTHOR

Terry Grobe
Director
JFF

With Joel Vargas and Alice Rice



Introduction

Millions of Californians lack the resources to meet their basic needs, even though at least one person in their family is working. With automation likely to eliminate many of their jobs by 2022, and plentiful higher-skill jobs out of reach, there's an urgent need to redesign education and training in order to help more Californians secure family-supporting careers.¹

The good news is that these critical, innovative efforts have already begun—and they're showing promise. They are not only preparing struggling youth and adults to move into good jobs now; they are also pointing the way to big shifts in relationships that must occur between employers, education systems, communities, and workers to keep pace with accelerating and dramatic changes in the economy.

These efforts include start-ups that teach people to code and that build on-ramps for those traditionally left out of the tech industry; schools that train veterans to earn nationally recognized certifications in advanced manufacturing; and nonprofits that provide immediate employment, training, and career supports to people returning from prison.

Nearly 30 such nonprofit organizations, community colleges, and coalitions are part of a statewide effort supported by The James Irvine Foundation to connect 25,000 youth and adults struggling with poverty to access “better careers,” defined as jobs that pay

at least \$18 per hour and provide clear opportunities for further training and advancement. The broader aim is to benefit California businesses and workers alike. Better Careers seeks to generate innovations to improve workforce training, match more employers with qualified middle-skilled workers, and grow diverse pools of talent to fill the 2 million job openings expected by 2030.²

JFF is interested in these innovations both because of their past track records but also for something bigger—their potential to tackle longstanding systemic barriers that keep low-wage workers from advancing.³ This brief is one in a series that will spotlight the innovative practices and explore how they hold lessons for redesigning our education and workforce systems for a rapidly changing economy.

In this brief, we describe:

- Three profound barriers to economic advancement for low-wage workers in California;
- Three shifts that must occur in relationships between employers, education systems, community organizations, and workers, in order to keep pace with the accelerating and dramatic changes in the economy; and
- Three innovations already making a difference in the lives of workers seeking job opportunity and advancement.



By the Numbers

First, we look at some of the persistent inequities—and opportunities—across the state.

Opportunities: California Needs Millions More Skilled Workers

In 2018, 1.4 million middle-skill jobs in California went unfilled.⁴ The situation is only projected to get worse. By 2030, California will face a shortfall of 2 million workers with the skills employers seek. The state will need 1 million more workers with a bachelor's degree and another 1 million workers with shorter-term, high-quality postsecondary credentials.⁵

Inequities: Disparities in Education and Training Pose Problems

Large challenges loom if the state does not address inequities in education and workforce preparation between regions and populations. California simply won't

have enough qualified workers to meet economic demand and many more people will struggle to meet basic needs.

Poverty

According to the California Poverty Measure, nearly 18 percent of residents (6.9 million people) lacked enough resources to meet basic needs in 2017.⁶ However, more than one-third of California residents (36.4 percent, or more than 14 million people) lived at or near the federal poverty line in 2017, with significant variations by region.⁷

Latinx Californians face great barriers

Moreover, the state's fastest growing population—Latinx youth comprise 54 percent of students in California's K-12 schools—is particularly prone to living in poverty.⁸ This group has lower rates of educational attainment than others, lagging behind in high school

completion, postsecondary readiness, and college completion. Although the Latinx community leads California in labor force participation, many people are stuck in low-wage employment and do not benefit from the thriving economy.⁹

Disconnected youth

Just a few regions of California are home to almost half of the state's population and half of the state's children. Yet nearly one in five teens and young adults in these regions are “disconnected youth,” young people ages 16 to 24 who are

neither working nor in school.¹⁰ They have only sporadic work experience if any. If working, they are often trapped in low-wage jobs.

Adult workers with low-wage jobs

As with disconnected youth, the state's millions of adult workers struggling in low-wage jobs also need opportunity to advance to higher-wage employment. Nearly 80 percent of families living in poverty have at least one family member who is working (full or part time).¹¹





Obstacles to Advancement

Longstanding Barriers

There are many complex and interrelated barriers to economic advancement for California's workers with low incomes. Among those, JFF is intrigued at the potential of these programs to address three particularly challenging obstacles:

Youth and adults seeking better jobs are often judged on what they lack rather than what they have to offer. This deficit-based approach to evaluating talent disregards people's individual strengths and their potential to contribute meaningfully to a workplace once they receive appropriate training and supports.

Employers, education institutions, and community-based training providers typically operate in silos. Without communication or coordination among these key players, it's impossible to create effective career pathways that propel people from education to the workforce and on to advancement opportunities that enable them to support their families.

Where career pathways do exist, they are often developed as part of small boutique programs, limiting the number of people who can benefit. This unfortunately leaves the field open to conventional critiques that say the most effective practices are either too unique or too expensive to scale.



Shifts in Mindset and Practice

JFF interviewed leaders of the organizations, learning about the development of their key innovations and exploring the shifts in practice and the enabling conditions needed to generate these changes. We sought to answer several vital questions, among them: What does it take to connect youth with limited job experience and advance working adults to better careers? How are stakeholders partnering differently in this enterprise and what is the result? How can this work move from limited programming to mainstream practice? What are the public and private roles and investments needed to sustain and scale these innovations across California?

We found that these organizations made some or all of three important shifts in mindset or practice, which address the three longstanding barriers described above.

Demonstrate the potential “value-add” of older youth and adults seeking advancement from low-wage work

Despite the business need for workers—acute in some areas—employers often dismiss low-wage working adults or disconnected young people as a potential source of talent. As a result, organizations run training programs that are not well aligned with employers’ skill needs; they compete for access to employers and job placements in these companies. The skills mismatch and ongoing competition make it difficult to generate benefit for workers, training providers, or their employer partners.


To counter this all too familiar scenario, some organizations have worked more closely with employers to understand the skill needs across a career trajectory and begin to codevelop talent pipelines. When skills training closely aligns with employer needs, youth and adults are ready to enter or advance in the industry and add immediate value to their workplaces. This work helps meet industry needs for skilled workers. Now some employers pay for the value they get in the form of extended paid internships that lead to full-time hires.

Create community-based doors to training and advancement

Developing a workforce in a low-unemployment economy requires reaching out to and serving people that lack the skills and supports needed to enter good jobs or advance from low-wage employment. Community-based organizations provide “doors” through which individuals can find a familiar, comfortable base from which to access skill training, supports, and connections to workplaces. This is particularly important for people who have limited work experience, are stuck in low-paid jobs, or have been involved in the foster care or juvenile justice systems.

Make practices that lift people out of poverty available to all

New approaches remain limited if they are not highly visible and viewed as proof points for scale. Policies that enable the uptake of good ideas don’t emerge on their own, nor does the infrastructure needed to link supply and demand, change systems, or sustain and scale innovation. Intermediaries, advocates, coalitions, conveners—all are needed to ensure that new approaches gain visibility and can be seeded within and across our education and training systems.



Key Innovations

Innovations That Remove Barriers for Job Seekers and Workers Who Want to Advance

Throughout JFF's research, we found three key kinds of innovations that directly address obstacles to good first jobs and advancement.

Generate substantial investment from employers

Innovations range from helping community colleges develop highly customized and compressed training for workforce entry or promotion, to hosting training in companies' state-of-the-art facilities (see "*Taller San Jose Hope Builders*"). The next brief in this series will highlight further examples of the power of employers investing early and often in developing their workforces and being able to see an immediate return on their investment.

Taller San Jose Hope Builders

The mission of Taller San Jose Hope Builders is to empower disconnected youth with job training and life skills needed to move out of poverty and achieve enduring personal and professional success.

Hope Builders used support from the Irvine Foundation to shift its business model, from a focus on the supply side to a stronger emphasis on the demand side. The organization offered employers the opportunity to use Hope Builders as a staffing agency that would deliver work-ready individuals who performed well and persisted on the job with the help of post-placement supports.

Results were good and employers now pay the costs of a 10-week internship, creating an earned revenue model that enables the organization to improve and expand its programming. Currently, in the construction program, 90 percent of participants are hired directly into jobs paying \$15-20 per hour.

These training programs benefit from the organization's previous work with community colleges. Youth earn valued credentials for successfully completing the training and can continue postsecondary study and an apprenticeship as pathways to career advancement.

Construct new and diverse on-ramps

Innovations range from developing social enterprises that connect youth and adults returning to their communities from prison to paying jobs immediately upon their release, to offering compressed training at a community-based organization leading to employment in high-demand industries (see “*Center for Employment Opportunities*”). The next brief in this series will highlight further examples illustrating the importance of creating different on-ramps to meet the distinct needs of various populations. Examples will highlight the importance for education and training providers to partner with the community in new ways to ensure that jobseekers with barriers get the supports they need to access and succeed in training that leads to well-paid employment.

Center for Employment Opportunities

The Center for Employment Opportunities is a national organization operating in nine states and serving clients that are returning from prison. CEO operates in community-based sites (eight in California) with deep community roots. Clients find a supportive place to connect upon release and are able to secure immediate paid employment, ongoing skills training, and support services including career development support. Participants also receive assistance to secure full-time employment. Some CEO sites partner with other providers or unions to expand the range of skills-training opportunities in growing industries or to access union apprenticeships.



Build and strengthen accelerators/ aggregators

Innovations range from policy coalitions that promote strong state workforce and economic policy, to national organizations that act as a bridge readying and connecting the supply and demand sides and organizations that build infrastructure that enables the placement of large numbers of nontraditional jobseekers (see “*LeadersUp*”). The next brief will highlight further examples that show how these groups enable sustainability and scale.

LeadersUp

LeadersUp develops the untapped potential of young people to solve the business challenge of finding and keeping the best talent. The organization serves as an accelerator, connecting employers who are seeking to hire with a highly prepared, though formerly untapped, talent pool.

LeadersUp offers customized training for young jobseekers, many from marginalized urban communities, and partners with 75 employers across Los Angeles, San Francisco Bay area, and Chicago sites. Preparing both sides means that youth are job ready and business managers and supervisors are trained to provide a supportive experience that retains young people once they are hired on the job.

To accelerate its impact, LeadersUp organizes citywide events called The Future at Work Summits. A large number of work-ready young people interview with area employers who are looking for qualified entry-level employees. The number of connections go well beyond those generated by special programs; for example, in San Francisco, a recent summit engaged nearly 500 youth and achieved an 80 percent interview-to-offer ratio. Over three years, LeadersUp has connected nearly 2,500 youth in the San Francisco area.

LeadersUp works to change the typical narrative about young adults from urban communities, stressing their energy, professionalism, and potential. The organization also works with employers to change workplace culture to be more receptive to a diverse talent pipeline.



Conclusion

How can California ensure that 1 million or more people earn in-demand postsecondary degrees to fill the jobs that will be available over the next decade? How can we ensure that the majority of our residents earn a living wage with the promise of further training and advancement?

The rest of this series will explore what we have learned about sustainability and growth of, and systems changes inspired by, these innovations as well as from the cross-sector leaders of the Future Ready California Network. The network's leaders, convened by JFF, come from a growing number of California regions and work together to improve economic and social mobility for all, especially vulnerable populations. Representatives of education, workforce development, business, community-based organizations, policymakers, and state systems tackle complex regional challenges collaboratively while building capacity through sharing ideas and best practices. We will explore the specific roles and investments of public and private investors, both state and local, in scaling these innovations and situating them as crucial components of systems transformation.

ENDNOTES

1. Till Leopold, Vesselina Ratcheva, and Saadia Zahidi, *The Future of Jobs Report 2018* (Geneva, Switzerland: World Economic Forum, 2019), http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf.
2. Hans Johnson, Marisol Cuellar Mejia, and Sarah Bohn, *Will California Run Out of College Graduates?* (San Francisco: Public Policy Institute of California, 2015), <https://www.ppic.org/publication/will-california-run-out-of-college-graduates/>.
3. With support from the Irvine Foundation, JFF has developed and launched a statewide California impact strategy, supporting regional collaboratives that are transforming local education and workforce landscapes to support inclusive economic development in their regions.
4. *Path to Employment: Maximizing the Impact of Alternative Pathways Programs* (Boston: Tyton Partners, 2017), https://irvine-dot-org.s3.amazonaws.com/documents/258/attachments/Path_To_Employment_Tyton_Part_1_June2017.pdf?1502131152.
5. Johnson, Mejia, and Bohn, *Will California Run Out of College Graduates?*
6. The California Poverty Measure, which was developed by the Public Policy Institute of California and Stanford University, is a comprehensive measure of poverty that factors in the high costs of living in California and a range of family needs and social safety net supports. Sarah Bohn, Caroline Danielson, and Tess Thorman, *Poverty in California* (San Francisco: Public Policy Institute of California, 2019), <https://www.ppic.org/publication/poverty-in-california/>.
7. Bohn, Danielson, and Thorman, *Poverty in California*.
8. *Higher Education in California: An introduction to the state's public colleges & universities* (Sacramento: The Campaign for College Opportunity, 2019), <https://collegecampaign.org/wp-content/uploads/2018/09/2018-Higher-Ed-Primer-Smallest-File-Size-for-Web.pdf>.
9. *Latinos in the Golden State: An Analysis of Economic and Demographic Trends* (Washington, DC: National Council of La Raza, 2017), http://publications.unidosus.org/bitstream/handle/123456789/1678/latinosinthegoldenstate_12017.pdf.
10. Kristen Lewis, Sarah Burd-Sharps, *A Portrait of California 2014-2015* (Brooklyn: Measure for America, 2014), http://ssrc-static.s3.amazonaws.com/wp-content/uploads/2014/12/A-Portrait-of-California_vF.pdf.
11. Bohn, Danielson, and Thorman, *Poverty in California*.



88 Broad St., 8th Floor, Boston, MA 02110

122 C St., NW, Suite 280, Washington, DC 20001

505 14th St., Suite 340, Oakland, CA 94612

TEL 617.728.4446 **WEB** www.jff.org